

BYLAWS
OF
EMPLOYERS INSURANCE OF WAUSAU MUTUAL HOLDING COMPANY

BYLAWS

EMPLOYERS INSURANCE OF WAUSAU MUTUAL HOLDING COMPANY
HOME OFFICE: WAUSAU, WISCONSIN

ARTICLE I

PRINCIPAL PLACE OF BUSINESS

The principal place of business or home office of the company shall be in the City of Wausau, in the County of Marathon, and the State of Wisconsin.

ARTICLE II

MEMBERS AND MEETINGS

Section 1. **Membership.** All persons, firms, and corporations that become policyholders of the Employers Insurance Company of Wausau shall be members hereof and entitled to all the privileges and subject to all the liabilities of membership while their respective policies, including preliminary binders, are in force, except so far as such privileges may be expressly waived by a member. A corporation, or a partnership, which becomes a member of the company may authorize any person to represent it therein, and that person, as such representative, shall have all the rights of any individual member; and until it shall have received written notice to the contrary from such corporation, or such partnership, or until some other person shall have been authorized to represent the corporation or partnership in the company and the company shall have received written notice thereof, the company may assume that any officer of such corporation, or member of such partnership, purporting to act for the corporation or such partnership, is the duly authorized representative of the corporation or such partnership, and entitled to act and vote on its behalf. Whenever in these bylaws the word "member" is used, the same shall be deemed and construed to mean, according to the context, either the policyholder, whether individual, partnership, or corporation, or the representative of a corporation or partnership.

Section 2. **Annual Meeting.** The annual meeting of the members of the company shall be held at the home office of the company in the City of Wausau, Wisconsin, on the fourth Wednesday of May of each year at 10 o'clock A.M., for the purpose

of transacting the general business of the company and the election of directors, and at such meeting every member shall be entitled to one vote, to be cast in person or by proxy. In case the annual meeting for any year should not be duly called or held, the Board of Directors or the Executive Committee or the Chief Executive Officer shall call a special meeting to be held as soon as may be thereafter in lieu of and for the purpose of such annual meeting, and all proceedings at such meeting shall have the same force and effect as if taken at the regular annual meeting.

Section 3. **Special Meetings.** Special meetings of the members of the company shall also be held at its home office in the City of Wausau, Wisconsin, at such time as may be specified in the notice of the meeting, which time shall be not more than sixty days after receipt by the Secretary or other authorized person of the request or application hereinafter provided for, and the Secretary or, in case of the Secretary's absence, incapacity, or disability, such person as the Board of Directors, the Executive Committee or the Chief Executive Officer shall appoint, shall call such special meeting whenever requested in writing so to do by the Chief Executive Officer, or a majority of the Board of Directors or of the Executive Committee, or upon the written application of one hundred fifty members; and such request or application shall state the purpose of such meeting. Every member shall be entitled to one vote at such meeting, to be cast in person or by proxy.

Section 4. **Proxies.** All proxies must be filed with the Secretary at least one month before the meeting at which they are to be used.

Section 5. **Notice of Meeting.** The date and place of the annual meeting of members shall be set forth in policies issued by the company and no further notice of such meeting shall be required. Notice of a special meeting shall be published not more than ninety days nor less than seven days before such meeting in a daily newspaper in the largest city in each state of the United States in which the company maintains a service office or, if the Board of Directors shall so decide, shall be mailed to each member at least seven days prior to the time for holding such meeting.

Section 6. **Reports.** At each annual meeting of the members, the directors and officers shall submit complete and detailed reports of the condition of the company and of the transactions during the preceding year.

Section 7. **Quorum.** Ten members present in person shall constitute a quorum at the annual meeting of the members of this company or at any special meetings of the members of the company.

ARTICLE III

BOARD OF DIRECTORS

Section 1. ***Number of Directors; Meetings.*** The number of directors of the company shall be ten (10) and such directors are designated as the Board of Directors. The meetings of the directors shall be held in the home office of the company in the City of Wausau, Wisconsin, or at such other place as may be designated by the Chief Executive Officer on the dates approved by the Board of Directors.

The Chief Executive Officer may, at any time in such officer's discretion, call special meetings of the directors, and the Chief Executive Officer shall call a special meeting whenever six directors shall, in writing, request such officer so to do. The Secretary shall give notice of all meetings of the directors. Such notice shall be mailed to each director at least five days prior to holding such meeting.

Section 2. ***Annual Meeting.*** The annual meeting of the directors shall be held on the same day as the annual meeting of members. At such annual meeting, the directors shall elect the officers of the company and appoint standing committees. If for any cause the annual meeting of directors shall not be held at the time designated, or, being held, there shall be failure to elect officers and appoint standing committees, such officers and committees may be elected and appointed either at a special meeting called for such purpose or at the next regular meeting.

Section 3. ***Quorum.*** A majority of the directors in office for the time being shall constitute a quorum of the Board of Directors for the transaction of business.

Section 4. ***Nomination and Election.*** At least thirty days prior to the annual meeting of the members, the Board of Directors shall nominate candidates for the office of director to succeed the directors whose terms of office will expire on the date of such annual meeting and shall thereupon file the names of such candidates with the Secretary. Any fifty or more members may also nominate candidates to succeed the directors whose terms of office will expire on the date of such meeting by filing with the Secretary at least thirty days before such annual meeting a certificate signed and acknowledged by each of such members setting forth the full names and addresses of such members and giving the names and addresses of the candidates nominated and by filing with such certificate the written acceptance of such nomination by each nominee named in such certificate. No candidate not nominated by the Board or members as above provided shall be voted upon except by consent of three quarters of those personally present or represented by proxy at such meeting. The

names of all candidates shall be made known by the Secretary to any member upon written request of such member.

Section 5. ***Vacancies.*** Vacancies in the Board of Directors occurring during the interim of the annual meeting, including any vacancy resulting from the enlargement of the Board, shall be filled by the Board by a majority vote of the directors then in office, and the person so elected shall serve for the applicable term or any unexpired portion thereof.

Section 6. ***General Powers.*** The Board of Directors shall have control of the business affairs of the company and shall possess and exercise all powers usually vested in the directors or trustees of insurance companies, which are consistent with the provisions of the articles of incorporation and with the laws of the State, and may accept any additional powers and privileges which any like insurance company may be authorized by the legislature of the State of Wisconsin to exercise.

Section 7. ***Dividends.*** The Board of Directors may declare dividends and make distributions pursuant to Subsection 181.1302(4), Wisconsin Statutes, from surplus funds held in excess of all liabilities. Dividends and such distributions shall be in such amount as the Board of Directors shall determine is fair and reasonable and shall not be made contingent upon the continuance or renewal of the policy.

Section 8. ***Surplus and Other Funds.*** For the purpose of creating funds to provide greater security to policyholders, the Board of Directors may set aside so much of the earnings of the company as they deem reasonable and proper. Such funds shall belong to the company and shall be used as ordered by the Board of Directors. The Board of Directors may determine what amounts in addition to amounts required by statute shall be set aside from time to time as contingent and special reserves.

Section 9. ***Classification.*** The Board of Directors may in its discretion classify policyholders into groups on such basis and in such manner as may be permitted by law.

Section 10. ***Contributions.*** The Board of Directors may, subject to the restrictions imposed by law and to such rules as it may adopt, make contributions of such sums of money as it determines to be reasonable for public welfare or for charitable, scientific or educational purposes.

Section 11. ***Action Without a Meeting.*** Any action required or permitted to be taken at a meeting of the Board or a Committee thereof may be taken without a meeting if a consent in writing to the adoption of a resolution authorizing the action so taken shall be signed by all directors or all the members of the Committee, as the case may be.

Meetings of the Board of Directors (or a committee of the Board of Directors) may be held via telephonic or other electronic connection, provided that such connection permits all directors to hear and be heard simultaneously, all in accordance with the provisions of Sections 611.51, 644.16 and 181.0820 of the Wisconsin Statutes.

ARTICLE IV

COMMITTEES

Section 1. ***Executive Committee.*** The Board of Directors may designate an Executive Committee consisting of not less than seven directors. The Chairman of the Board and the President shall be members of the Executive Committee. Employees of the company shall not constitute a majority of the Executive Committee. A majority of the members of the Executive Committee shall constitute a quorum. The Executive Committee shall have all powers of the Board of Directors in the management of the business and affairs of the company when the Board of Directors is not in session, but it shall, at all times, be subject to the control of the Board of Directors and perform such duties as the Board of Directors may order. The Executive Committee shall meet at regular intervals at the home office of the company or such other place and at such time as determined by the Chief Executive Officer. The Chief Executive Officer may at any time in such officer's discretion call special meetings of the Executive Committee.

Section 2. ***Nominating Committee.*** The Board of Directors may designate a Nominating Committee consisting of three or more directors which shall suggest to the Board of Directors the names of persons to be nominated as candidates for the office of director.

Section 3. ***Investment Committee.*** The Board of Directors may designate an Investment Committee consisting of three or more directors. The Investment Committee shall recommend to the Board of Directors the general investment policy for the company. The Investment Committee shall meet at regular intervals determined by the Chief Executive Officer to perform its function. The Chief Executive

Officer may at any time in such officer's discretion call special meetings of the Investment Committee.

Section 4. ***Audit Committee.*** The Board of Directors may designate an Audit Committee consisting of three or more directors. Neither the President nor the Chief Executive Officer shall be members of the Audit Committee. The Audit Committee shall recommend to the Board of Directors the appointment of an independent accounting firm, review the financial statements with the accounting firm, inquire into the effectiveness of the company's internal auditing methods and procedures, and report to the Board of Directors at the conclusion of their audit. The Audit Committee shall meet at regular intervals at the home office of the company or such other place and at such time as determined by the chairman of the Committee.

Section 5. ***Other Committees.*** The Board of Directors may at any time designate one or more committees, each consisting of three or more directors, one of whom shall be the Chief Executive Officer or such person as the Chief Executive Officer shall designate, to exercise the powers of the Board in the management of the business and affairs of the company to the extent authorized by law and in the resolution.

Section 6. ***Notice of Meetings of Committees.*** No notice of regular meetings of any committee shall be necessary. Reasonable notice shall be given of special meetings of any committee, but the action of the majority at any regular or special meeting of any committee shall be valid notwithstanding any defect in the notice of such meeting.

Meetings of the Board of Directors (or a committee of the Board of Directors) may be held via telephonic or other electronic connection, provided that such connection permits all directors to hear and be heard simultaneously, all in accordance with the provisions of Section 181.0821 of the Wisconsin Statutes.

ARTICLE V

OFFICERS OF THE COMPANY

Section 1. ***Officers.*** The elective officers of the company shall be a Chairman of the Board, a Chief Executive Officer, Vice Chairman of the Board, a President, a Secretary, a Treasurer and other officers as the Board of Directors may elect or appoint or provide for by resolution from time to time. The principal officers of the company shall be a Chairman of the Board, a Chief Executive Officer, a Vice

Chairman of the Board, a President, a Secretary, and a Treasurer. The Chairman of the Board, the Chief Executive Officer and the Vice Chairman of the Board shall be directors of the company. The Board of Directors may at any time remove any officer so elected and appointed. Each such officer shall hold office for one year or until such officer's successor shall have been duly elected or until such officer's death or until such officer shall resign or shall have been removed by the Board of Directors. A vacancy in any elective office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 2. ***The Chairman of the Board.*** The Chairman of the Board shall preside as chairman of all meetings of the directors and members of the company.

Section 3. ***Chief Executive Officer.*** The Chief Executive Officer shall exercise general administrative leadership and direction of the company in conformity with actions and controls established and maintained by the Board of Directors. The Chief Executive Officer shall have the power and authority to execute on behalf of the company any and all documents, contracts, instruments, or other papers to which the signature of the company is to be attached; provided, however, a facsimile signature may be printed, engraved, or stamped on any approved document, contract, instrument or other papers of the company.

In the absence of the Chairman of the Board, or at the request thereof, the Chief Executive Officer shall preside at meetings of the members and the Board of Directors, sign the record of such meetings at which such officer shall preside and shall have such other powers and duties as may be prescribed by the Board of Directors.

Section 4. ***Vice Chairman of the Board.*** In the absence of the Chairman of the Board and Chief Executive Officer or at the request of either such officers, the Vice Chairman of the Board shall perform the duties of the Chairman of the Board and when so acting, shall have all the power of and be subject to all of the restrictions upon the Chairman of the Board; and in addition thereto, shall perform such other duties as may be assigned by the Chairman of the Board, by the Chief Executive Officer or by the Board of Directors.

Section 5. ***President.*** The President shall be the Chief Operating Officer of the company and shall, in compliance with the laws of the State of Wisconsin, Articles of Incorporation and these Bylaws, and in concurrence with the Chief Executive Officer and actions of the Board of Directors, direct the activities of its officers.

Except as provided for by resolution of the Board of Directors or by memorandum from the Chief Executive Officer, the President shall have the power and authority to execute on behalf of the company those documents, contracts, instruments, or other papers to which the signature of the company is to be attached; provided, however, a facsimile signature may be printed, engraved or stamped on any approved document, contract, instrument, or other papers of this company. The President shall exercise the discretion of and perform generally all of the duties incident to the Office of President and such other and further duties as may be required by the Board of Directors and the Chief Executive Officer.

Section 6. **Secretary.** The Secretary shall keep a record of the minutes of the company and of its Board of Directors and its committees. The Secretary shall countersign all instruments and documents executed by the company which the law or the company's Bylaws require to be so executed, and affix to instruments and documents the seal of the company, whenever required by law or by the Board of Directors. The Secretary shall keep all documents, instruments, records, papers, books, or like things pertaining to the business of the company, and shall keep in proper books therefor the transactions of the company and shall perform such other duties as are usually incident to such office.

Section 7. **Treasurer.** The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the company, receive and give receipts for moneys due and payable to the company from any source whatsoever, and deposit all such moneys in the name of the company in such banks, trust companies or other depositories as shall be selected by or under the authority of the Board of Directors or any committee designated by the Board of Directors; and (b) in general perform all of the duties incident to the office of treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the Chief Executive Officer, the Board of Directors or any committee designated by the Board of Directors.

Section 8. **Powers of Attorney.** The Chief Executive Officer, the President or the Secretary, subject to such limitations as the Board of Directors may prescribe, shall execute such powers of attorney as are necessary to make effective the insurance policies and contracts of the company.

ARTICLE VI

FUNDS OF THE COMPANY

All moneys belonging to the company shall be deposited or invested in the name of Employers Insurance of Wausau Mutual Holding Company in such depositories or in such securities as may be authorized by the Board of Directors, Executive Committee or these Bylaws, except that securities kept under a custodial agreement or trust arrangement with a bank or banking and trust company may be issued in the name of a nominee of such bank or banking and trust company, and the company may acquire and hold securities in bearer form. The officers and employees of the company handling funds and securities of the company shall give surety bonds in such sums as the Board of Directors or Executive Committee may require.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Section 1. ***Indemnification of Directors, Officers and Employees.*** The company shall indemnify each director, officer and employee to the extent that he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director, officer or employee was a party because he or she is or was a director, officer or employee of the company. In addition, the company shall indemnify each director, officer and employee against liability, including reasonable related expenses, incurred by the director, officer or employee in any proceeding to which the director, officer or employee was a party because he or she is or was a director, officer or employee of the company, unless the liability was incurred because the director, officer or employee breached or failed to perform a duty that he or she owed to the company and such breach or failure to perform constitutes any of the following:

A. A willful failure to deal fairly with this company or its members in connection with the matter in which the director, officer or employee had a material conflict of interest.

B. A violation of the criminal law, unless the director, officer or employee had a reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful.

C. A transaction from which the director, officer or employee derived an improper personal profit, or

D. Willful misconduct.

The company shall indemnify each director, officer and employee in connection with any proceeding or a part thereof initiated by such director, officer or employee only if such proceeding, or the relevant part thereof initiated by that person, was authorized by or on behalf of the company in a determination made pursuant to Section 4 below.

Section 2. ***Other Rights.*** The rights of indemnification under this Article VII shall not be deemed exclusive of any other rights to which those persons seeking indemnification may be entitled under the Articles of Incorporation, these Bylaws, any agreement, vote of members or disinterested directors, or otherwise, including court ordered indemnification, and shall continue as to any such person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of any such person.

Section 3. ***Payment of Expenses as Incurred.*** The company shall pay to or on behalf of each director and, upon determination under Section 4 below, may pay to or on behalf any officer or employee, his or her reasonable expenses as incurred in any such proceeding, provided that any such payment of expenses as incurred to or on behalf of any director or officer in advance of final disposition of such proceeding shall be made only after delivery to the company of an appropriate affirmation and undertaking in accordance with laws of the state of Wisconsin, and provided further that the company may require delivery of an appropriate affirmation and undertaking before any payment of expenses as incurred to or on behalf of any employee in advance of final disposition of such proceeding.

Section 4. ***Determination of Indemnification and Payment of Expenses as Incurred.*** Any determination under this Section 4 shall be the discretionary. Notwithstanding anything in this Article VII, the company shall not indemnify any director, officer or employee under Section 1 or Section 2 hereof nor allow any director, officer or employee to retain the benefit of the payment of any incurred expenses pursuant to Section 3 hereof, unless it is determined by or on behalf of the company that the liability for incurred expenses did not arise from the director's, officer's or employee's breach or failure to perform a duty that he or she owed to the company which constitutes conduct described under subsections A, B, C or D of Section 1 of this Article. Any director, officer or employee who is a party to the same or related proceeding for which indemnification or any payment of expenses is

sought, may not participate in any determination under this Section 4, with respect thereto. Any determination by or on behalf of the company regarding indemnification or payment of expenses, or other authorization under this Article VII shall be made: (A) by the Board of Directors by a majority vote of a quorum consisting of directors who were not, and are not, parties to or threatened with any such proceeding, or (B) if such a quorum is not obtainable, or if a majority of votes of a quorum of disinterested directors so directs, in a written opinion by independent legal counsel meeting the requirements of independence prescribed by the laws of the state of Wisconsin, or (C) by the members, or (D) by the Circuit Court of Marathon County, Wisconsin, or the court in which such proceeding was brought or is pending.

Section 5. ***Contractual Rights; Applicability.*** The right to be indemnified or to the payment of expenses as incurred pursuant this Article VII: (i) is a contract right based upon good and valuable consideration, pursuant to which the person entitled thereto may bring suit as if the provision hereof were set forth in a separate written contract between the company and such person, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto.

Section 6. ***Insurance.*** The company may purchase and maintain insurance on behalf of any person who is or was a director, officer or employee of the company against any liability asserted against such person and incurred in any such capacity, or arising out of the status of such, whether or not the company would have the power to indemnify such person against such liability under this Article VII.

Section 7. ***Definition.*** As used in this Article VII, director, officer or employee of the company means any of the following:

- A. An individual who is or was a director, officer or employee of the company.
- B. An individual who, while a director, officer or employee of the company, is or was serving at the company's request as a director, officer, partner, trustee, member of any governing or decision-making committee, manager, employee or agent of another corporation or foreign corporation, limited liability company, partnership, joint venture, trust or other enterprise.
- C. An individual who, while a director, officer or employee of the company, is or was serving an employee benefit plan because his or her duties to the company

also impose duties on, or otherwise involve services by, the person to the plan or to the participants in or beneficiaries of the plan.

D. Unless the context requires otherwise, the estate or personal representative of a director, officer or employee.

ARTICLE VIII

EMERGENCIES

Notwithstanding any other provision of these Bylaws, the Board of Directors may, at any time, adopt a resolution in accordance with authority now or hereafter vested in it under which, to the extent and upon the terms stated therein, corporate powers may be exercised during the existence of emergency conditions.

Effective _____